LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m., on TUESDAY, JANUARY 6, 2004, upon the application of DENBURY RESOURCES, INC. At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the S Sand, Reservoir A, the T-1 Sand, Reservoir A and the T-2 Sand, Reservoir A, in the Lirette Field, Terrebonne Parish, Louisiana.

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate for each sand, such units to be designated S RA SUA, T-1 RA SUA and T-2 RA SUA.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate a unit well for each of the proposed units.
- 4. To designate Denbury Resources, Inc. as the unit operator for each of the proposed units.
- 5. To provide that any future substitute or alternate unit wells be exempt from the spacing provisions of Statewide Order No. 29-E.
- 6. To provide that any future wells drilled to each of the respective sand outside of the proposed units be located in accordance with the spacing provisions of Statewide Order No. 29-E.
- 7. To provide that the Commissioner of Conservation should be authorized to reclassify each of the reservoirs by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 8. To consider such other matters as may be pertinent.

The S Sand, Reservoir A, in the Lirette Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing sand encountered between the depths of 10,208' and 10,292' (ELM)

(-9,882' SS and -9,967' SS) in the Denbury Resources, Inc. - Delta Securities No. 1 Well, located in Section 24, Township 19 South, Range 19 East.

The T-1 Sand, Reservoir A, in the Lirette Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing sand encountered between the depths of 10,412' and 10,453' (ELM) (-10,087' SS and -10,128' SS) in the Denbury Resources, Inc. - Delta Securities No. 1 Well, located in Section 24, Township 19 South, Range 19 East.

The T-2 Sand, Reservoir A, in the Lirette Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing sand encountered between the depths of 10,506' and 10,728' (ELM) (-10,181' SS and -10,403' SS) in the Denbury Resources, Inc. - Delta Securities No. 1 Well, located in Section 24, Township 19 South, Range 19 East.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Lafayette**, Louisiana.

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04-2 thru 04-4

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, La 11/20/03;11/25/03 L dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION - ENGINEERING DIVISION AT P. O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.